

RECORDATION NO. 10715-A
Filed 1425

JAN 18 1980 - 3 21 PM

RECORDATION NO. 10714-A
Filed 1425

JAN 18 1980 - 3 21 PM

INTERSTATE COMMERCE COMMISSION

RICHARD MARTIN CONTINO

LAW OFFICES

717 FIFTH AVENUE

SUITE 1206

NEW YORK, NEW YORK 10022

212-759-5648

0-013A098

Date JAN 18 1980

Fee \$ 10.00 #20580

11389

ICC Washington, D. C.

RECORDATION NO. Filed 1425

January 16, 1980

JAN 18 1980 - 3 21 PM

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Room 2215
Washington, D. C. 20423

Dear Ms. Mergenovich:

As counsel for Rex Railways, Inc., a New Jersey corporation, I have been requested to ask that you file the following enclosed documents:

1. An Equipment Lease Agreement, dated as of January 14, 1980 (the "Lease"), between Rex Railways, Inc. ("Rex"), a New Jersey corporation, as lessee, and McDonnell Douglas Finance Corporation ("McDonnell"), a Delaware corporation, as lessor, for the leasing of railroad cars bearing numbers ~~BREX~~ 4287 through 4386, inclusive. The cars have been plainly marked in stencil on both sides with the words "Title To This Car Subject To Documents Recorded With The Interstate Commerce Commission." All 100 of these railroad cars encompassed by the Lease are new 4700 cubic foot 100-ton steel covered hopper cars with three hoppers, longitudinal trough hatch and center discharge outlets.

Forty of the cars will be subleased by Rex to the Klemme Cooperative Grain Co., Klemme, Iowa ("Klemme") pursuant to a Lease Agreement between Rex and Klemme dated as of March 27, 1979 (the "Klemme Sublease"), which was recorded with the Interstate Commerce Commission on August 9, 1979 (Recordation No. 10715). The remaining sixty cars will be subleased by Rex to the Farmers Cooperative Co. of Farnhamville, Iowa ("Farmers") pursuant to a Lease Agreement between Rex and Farmers dated as of March 27, 1979 (the "Farmers Sublease"), which was also recorded with the Interstate Commerce Commission on August 9, 1979 (Recordation No. 10714).

Cross index under the two assignments

David H. Cox - David H. Cox

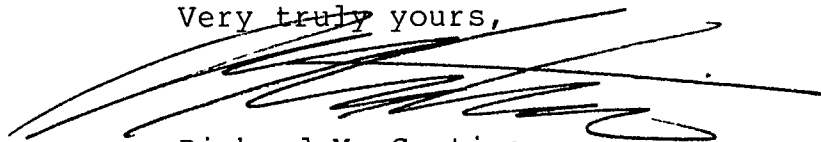
2. An Assignment of Lease and Consent and Agreement among McDonnell, Rex and Klemme dated as of January 14, 1980 (the "Klemme Sublease Assignment") which provides for the assignment by Rex to McDonnell of all its right, title and interest in and to the Klemme Sublease and which has been consented to by Klemme. The purpose of this assignment is to secure the performance by Rex of its obligations under the Lease.

3. An Assignment of Lease and Consent and Agreement among McDonnell, Rex and Farmers dated as of January 14, 1980 (the "Farmers Sublease Assignment") which provides for the assignment by Rex to McDonnell of all of its right, title and interest in and to the Farmers Sublease and which has been consented to by Farmers. The purpose of this assignment is to secure the performance by Rex of its obligations under the Lease.

I am delivering a total of four manually executed copies of the Lease, the Klemme Sublease Assignment and the Farmers Sublease Assignment. I would appreciate it if you would have three copies of each stamped as recorded and returned to me.

Thank you for your assistance. I look forward to hearing from you at your earliest convenience.

Very truly yours,

A handwritten signature in dark ink, consisting of several fluid, overlapping strokes that form a cursive representation of the name Richard M. Contino.

Richard M. Contino

cc: Mark A. Salitan
Charles Johnson

RMC/lis

RECORDATION NO. 10715-14 Filed 1425

JAN 18 1980 - 3 20 PM

January 14, 1980

INTERSTATE COMMERCE COMMISSION

11389/B

RECORDATION NO. Filed 1425

ASSIGNMENT OF LEASE
AND
CONSENT AND AGREEMENT

JAN 18 1980 - 3 20 PM
INTERSTATE COMMERCE COMMISSION

AGREEMENT dated as of January 14, 1980 among McDonnell Douglas Finance Corporation, a Delaware corporation ("Assignee"), Rex Railways, Inc., a New Jersey corporation ("Assignor") and Klemme Cooperative Grain Company, a cooperative ("Lessee").

WHEREAS, concurrently with the execution and delivery of this Agreement Assignee and Assignor are entering into an Equipment Lease Agreement dated as of January 14, 1980 (the "Prime Lease") providing for the lease by Assignee to Assignor of certain railroad equipment (the "Equipment"), and Assignor and Lessee have entered into a Lease Agreement dated as of March 27, 1979, (the "Sublease") providing for the sublease by Assignor to Lessee of certain of the Equipment;

WHEREAS, Assignee is prepared to consent to the execution and delivery of the Sublease; and

WHEREAS, in order to secure the performance by Assignor of its obligations under the Prime Lease and as a further inducement to the execution and delivery by Assignee of the Prime Lease, Assignor is prepared to assign to Assignee all its right, title and interest in and to the Sublease and

Lessee is prepared to consent thereto;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained herein the parties agree as follows:

1. Assignee hereby consents to the execution and delivery of the Sublease by Assignor and Lessee.

2. In order to secure the due and punctual performance by Assignor of each and every obligation of Assignor under, and compliance by Assignor with each and every provision of, the Prime Lease, Assignor hereby irrevocably assigns, transfers and sets over to Assignee, all of Assignor's estate, right, title, interest, claim and demand in, to and under the Sublease and all rental payments due or to become due thereunder and damages and other moneys from time to time payable to or receivable by Assignor under the Sublease (said sums being herein called the "Moneys").

3. Notwithstanding the provisions of Section 2 hereof, unless and until an Event of Default shall have occurred under the Prime Lease, and thereafter until Assignor has remedied all Events of Default under the Prime Lease, Assignor shall be entitled to exercise all of Assignor's rights under the Sublease except (a) the right to assign or grant a security interest in any such rights including the right to receive Moneys to any person other than Assignee, (b) to the extent that such exercise would violate any provision of the Prime Lease and (c) as otherwise provided

herein. Upon the occurrence of an Event of Default under the Prime Lease, all rights and interests of the Assignor in, to and under the Sublease and the proceeds thereof, including all rights to receive Moneys thereunder, shall be exercisable solely by and shall inure solely and exclusively to the benefit of Assignee. Accordingly, upon such occurrence Assignee shall have all the rights to enforce the Sublease as if Assignee were a party to the Sublease.

4. Lessee hereby acknowledges and consents to the foregoing assignment and agrees that it will make payment of all Moneys to Assignor unless and until Lessee shall have received written notice from Assignee, addressed as provided in Section 9 hereof, that an Event of Default has occurred under the Prime Lease, whereupon Lessee will, until it shall have received written notice from Assignee, addressed as provided in Section 9 hereof, that all Events of Default under the prime Lease have been remedied, make any and all payments of Moneys directly to Assignee at Security Pacific National Bank, 333 S. Hope St. Los Angeles, Calif. 90017, Account Number 002-181 or at such other place as Assignee may direct.

5. Any Moneys which would have been required to be paid to Assignor by Lessee but for the existence of an Event of Default under the Prime Lease (and which have been paid to Assignee by Lessee) shall be held by Assignee for the account of Assignor and may be applied by Assignee to cure any Event of Default under the Prime Lease and shall, at such time as there shall not be existing any Event of Default under the Prime Lease and to the extent not used to cure any

Event of Default under the Prime Lease, be paid over to Assignor. Assignee agrees that, as between Assignee and Lessee (and without affecting Assignor's duties or obligations under the Prime Lease), Lessee shall not be deemed to have knowledge of any Event of Default under the Prime Lease unless and until Lessee shall have received written notice thereof, addressed as provided in Section 9 hereof. Assignee also agrees that, if it shall have given notice of the occurrence of an Event of Default under the Prime Lease, it will give prompt written notice to Lessee, addressed as aforesaid, if and when all Events of Default have been remedied. Assignor agrees that, as between Assignor and Lessee, Lessee shall not be required to make any investigation as to the existence or non-existence of an Event of Default under the Prime Lease but shall take such action as may be required by Section 4 hereof solely on the basis of written notice by Assignee as specified herein.

6. The obligations of Assignor owing to Lessee under the Sublease shall continue to be obligations of Assignor, and Assignee shall have no obligations or liability under the Sublease by reason of, or arising out of, this Agreement, and shall not be obligated to make any inquiry as to the sufficiency of any payment received by it or to present or file any claim or take any action to collect or enforce any claim for any payment assigned hereunder. Notwithstanding the foregoing sentence, in the event that an Event of Default shall have occurred under the Prime Lease (including, without

limitation, an Event of Default resulting from a rejection of the Prime Lease pursuant to any bankruptcy or similar proceeding involving Assignor) and Assignee, in its sole discretion, shall undertake to assume and perform the obligations of Assignor under the Sublease, Lessee shall, without releasing Assignor from any of its duties or obligations under the Sublease except to the extent that such performance by Assignee shall constitute performance of such duties and obligations, deem and treat Assignee as the lessor under the Sublease for all purposes thereunder. Any such performance by Assignee shall not constitute a waiver or release of any obligation of Assignor to Assignee under the Prime Lease nor a waiver of any Event of Default which may arise out of Assignor's nonperformance nor an election or waiver by Assignee of any remedy or right available to Assignee under the Prime Lease or otherwise.

7. Assignor and Lessee each agrees that it will not amend, modify, waive any provision of or terminate the Sublease without the prior written consent of Assignee and that it will deliver to Assignee copies of all notices and other communications given or made by it pursuant to the Sublease.

8. Assignor represents and warrants that it has not assigned or pledged, and hereby covenants that it will not assign or pledge any of its estate, right, title or interest in and to the Sublease to anyone other than Assignee.

9. All notices required under the terms and provisions hereof shall be in writing and addressed (a) if to Assignor at 616 Palisade Avenue, Englewood Cliffs, New Jersey, or at such other address as Assignor shall from time to time designate in writing to the other parties hereto, or (b) if to Assignee at 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: President, or at such other address as Assignee shall from time to time designate in writing to the other parties hereto or (c) if to Lessee at Kleeme, Iowa, or at such other address as Lessee shall from time to time designate in writing to the other parties hereto.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. This Agreement may not be amended or modified except in writing by an agreement of agreements entered into by the parties hereto.

12. This Agreement may be executed in several counterparts, each of which shall be deemed an original and which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by one of its duly authorized officers as of the day and year first written above.

MCDONNELL DOUGLAS FINANCE CORPORATION

By D. J. Slack
Vice President

REX RAILWAYS, INC.

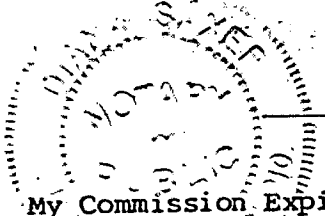
By Robert W. Gruber

[LESSEE] KLEMME COOPERATIVE GRAIN
COMPANY

By Joseph D. Friedman

STATE OF Missouri)
COUNTY OF Jackson) SS:

ON THIS 16th day of January, 19 80 before me personally appeared Robert W. Gruber, to me personally known, who being by me duly sworn, says that he is the President of Rex Railway Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

A circular notary seal for the State of Missouri, containing the text "NOTARY PUBLIC STATE OF MISSOURI".
My Commission Expires:

11-14-80

Deana Long

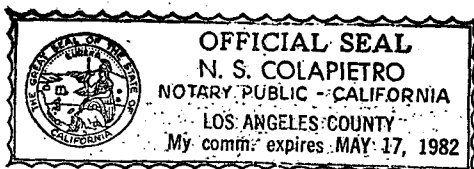
STATE OF California)
) SS:
COUNTY OF Los Angeles)

ON THIS 17th day of January, 1980, before me personally appeared R.T. Black, to me personally known, who being by me duly sworn, says that he is the Vice President of Mc Donnell Douglas that the seal affixed to the foregoing instrument is the corporate seal of said Mc Donnell Douglas corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

N.S. Colapietro

My Commission Expires:

May 17, 1982



STATE OF Iowa)
) SS:
COUNTY OF Polk)

ON THIS 16th day of January, 1980, before me personally appeared Mark D. Friedman to me personally known, who being by me duly sworn, says that he is the Gen Mgr of Klemme Coop Bldg, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sheri J. Runyon

My Commission Expires:

